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Economic Dependency

Indicator: Economic dependency by county. This indicator is based on income data from six economic sectors over three consecutive years. Resulting information is portrayed in ten categories corresponding to each of the six sectors (farming, mining, manufacturing, government, service, and non-labor), three combination categories, and one for non-dependency (i.e., diversified). The non-labor sector includes income such as interest, Social Security payments, and rents. BLM resource programs are reflected in farming (grazing), mining (solid and fluid minerals), and service (recreation).

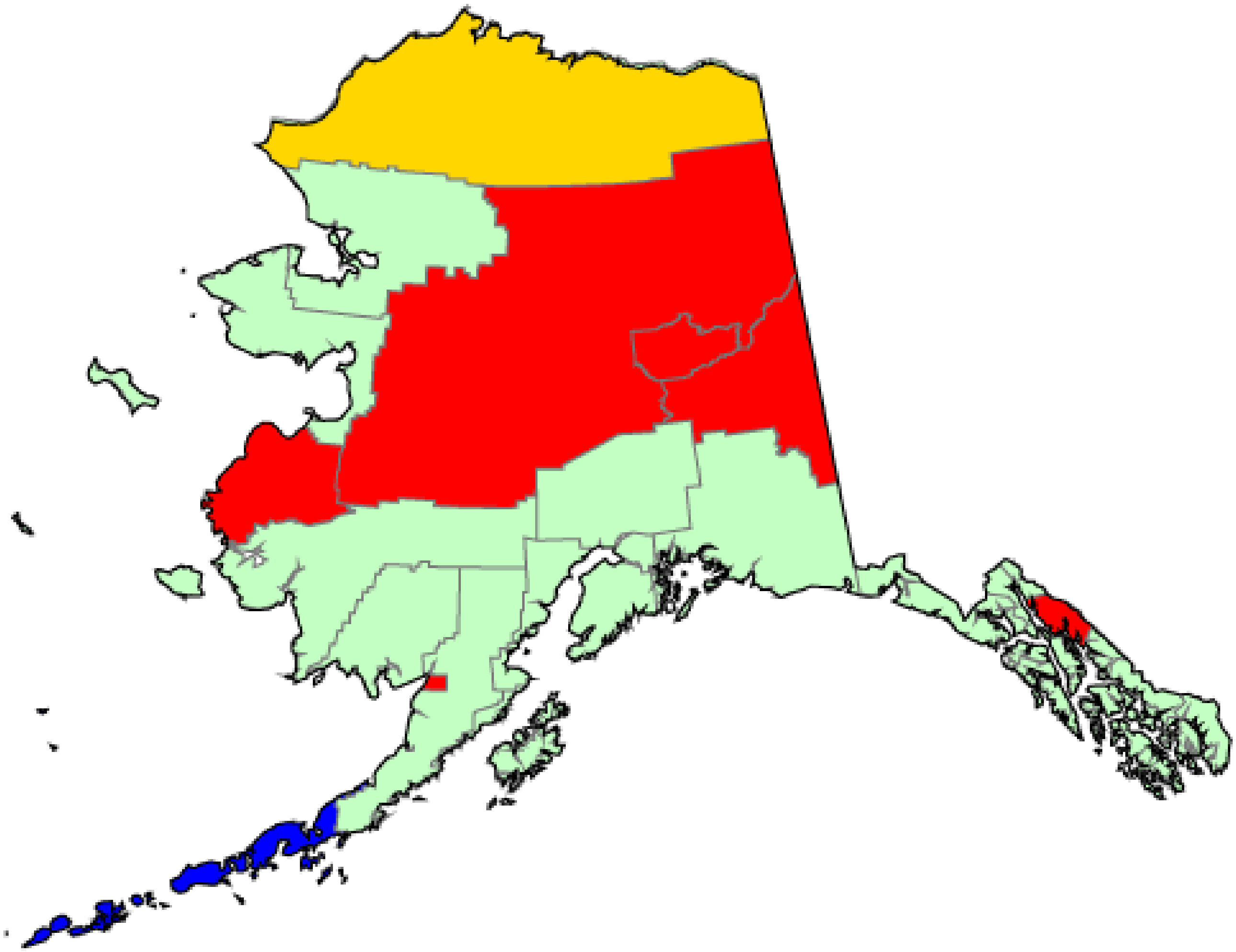
Key Findings: Most western counties are non-dependent, that is, they have diversified economies which are able to withstand single sector economic shocks. Of particular interest are those counties with large amounts of BLM land and economies that are dependent. Such counties are economically vulnerable because of their high degree of specialization. While economic indicators for these counties may appear robust, they lack the resiliency of more diversified economies to resist economic downturns. Historic examples of this include Denver's mineral dependency and consequent nearly decade-long recession in the early 1980s. Some of the potentially vulnerable areas include areas in southwestern Wyoming and west-central Nevada (mining dependent), south-central Idaho (farming and service dependent), and central Idaho and southeastern Nevada (service dependant).

Limitations: Data quality is very good. Additional statistical spatial analysis could be accomplished with additional time. Analysis, as presented in this document, could be updated yearly.

Source: Cook, Peggy J., and Mizer, Karen L., The revised ERS County Typology: An Overview, Rural Economy Division, Economic Research Service, United States Department of Agriculture (USDA), Rural Development Report 89, December 1989. Available from http://www.econ.ag.gov/epubs/other/topology. Additional analysis provided by Chuck Romaniello and Karla Rogers, BLM.

Comments: Economic Dependency was calculated by BLM economists inspired by a decade-old study done by the USDA Economic Research Service. Twelve economic sectors' income were examined: farming, mining, manufacturing, government, service, non-labor, agriculture, construction, transportation/public utilities, wholesale, retail, and fire. The last six sectors were dropped from further analysis because no counties were highly dependent upon them. To be considered dependent, a county had to meet established threshold values for a particular sector for all of the three years (1995 - 1997). The threshold value was determined by the percentage of the economic sector when compared to the whole economy. The threshold value was defined as any percentage falling at least two standard deviations above the mean for that particular sector.

Economic Dependency



County Economic Dependency
1995 - 1997

Government
Manufacturing
Government & Mining
Nonspecialized

Scale 1:15,000,000

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